REMARKS

This Amendment responds to the Office Action dated May 31, 2011 in which the Examiner rejected claims 1-17, 19, 32, 33 and 37 under 35 U.S.C. § 103.

As indicated above, claims 1, 10, 19 and 37 have been amended in order to make explicit what is implicit in the claims. The amendment is unrelated to a statutory requirement for patentability.

Claims 1-16, 18-22, 28-30 and 32-37 were rejected under 35 U.S.C. § 103 as being unpatentable over *Bar-El* (WO 99/26415) in view of *Srinivasan, et al.* (U.S. Publication No. 2001/0023436) and *Zigmond, et al.* (U.S. Patent No. 6,698,020).

Bar-El appears to disclose in Figure 1 a personalization system 10 operates on a video server 11 and communicates with a multiplicity of user computers or clients 12 via a network (page 7, lines 11-15). As shown in Figure 2, the personalization system 10 of the video server 11 comprises a user identifier 20, a user database 21, an object storage unit 22, a video controller 24, a video analyzer 25 and a plurality of video personalization modules 26, one per user currently receiving a video stream (page 9, line 22-page 10, line 2). Object storage unit 22 and video controller 24 both provide their output to the personalization module 26 associated with the user. The object storage unit 22 outputs the personalized data, such as a set of advertisements, associated with the user's group and the names associated with each image to be implanted and video controller 24 provides the selected video and the associated video parameters describing how to transform the personalized data in order to implant the personalized data into the video stream (page 12, lines 3-9). Personalization module 26 uses each transformation T to transform, per frame, the flat images 39 of the personalized data into perspective images 41 whose perspective matches that of the surface on which the images are to

be implanted. The personalization module 26 then implants the perspective images 41 into the background of the current frame, thereby producing a personalized frame which is transmitted to the user's computer 12 (page 13, line 23-page14, line 4).

Thus, *Bar-El* clearly discloses in Figure 1 a video server 11 distributing a personalized video sequence with advertisements therein to a client 12. Nothing in *Bar-El* shows, teaches or suggests for download distribution and packaged distribution an image content providing apparatus only transmitting image content and not transmitting advertising images and does not transmit internet addresses for advertisement images as claimed in claims 1, 10, 19 and 37. Rather, *Bar-El* clearly teaches away from the claimed invention since a personalized video module with advertisements is output to the client.

Srinivasan, et al. appears to disclose a video-on demand system where a user orders a particular stored video presentation to be sent at a particular time, ads may be selected and inserted at any convenient time prior to sending to the user [0202]. When a subscriber orders a video presentation, the ad server notes the client ID matches the ID with the user profile, consults a dynamic ad schedule and determines the ads to be inserted. The ad server controls and pulls both the video presentation and the ads to be inserted from data storage, controls the data streams at the ad server to start and stop each video stream at the appropriate time to place the ads, and so forth [0204]. In an alternative embodiment, the ad server does not insert ads into the video stream but instead stores URLs internet addresses (for ads). The ad engine retrieves the needed URLs for the ads to be inserted, and inserts them in the video stream as metadata [0205]. The playback unit at the client station 205 makes use of the inserted metadata to pull the relevant ads or ads from the appropriate destinations in the internet [0206].

Thus, *Srinivasan, et al.* only discloses a video on demand system in which ads are selected and directly inserted or inserted by a URL's prior to sending video data to a user. Nothing in *Srinivasan, et al.* shows, teaches or suggests for download distribution and packaged distribution, an image content providing apparatus only transmits the image content and does not transmit advertisement images and does not transmit internet addresses for advertisement images as claimed in claims 1, 10, 19 and 37. In the claimed invention, sinee the ads are stored on the advertisement image providing apparatus, no URL data is needed. Rather, *Srinivasan, et al.* discloses ads or ad URL's are selected and inserted in the video data prior to sending to a user.

Zigmond, et al. appears to disclose a conventional video programming feed displayed to a viewer. Either before or during the display of the video programming feed to the viewer, a plurality of advertisements from an advertisement source are received by a home entertainment system in the household. The received advertisements are either stored in an advertisement repository for later display or are made available to the home entertainment display at an appropriate time for immediate display (column 4, lines 15-24). Statistics collection location 61 counts the number of times a particular viewer has seen a selected advertisement. Once the advertisement has been displayed the desired number of times during a given time period, further display of the advertisement to the viewer is blocked (column 13, lines 40-45).

Thus, *Zigmond, et al.* merely discloses that once an ad has been displayed a desired number of times, the advertisement is blocked to the viewer. Nothing in *Zigmond, et al.* shows, teaches or suggests for download distribution a package distribution, an image content providing apparatus only transmits the image content and does not transmit advertisement images and does not transmit internet addresses for advertisement images as claimed in claims 1, 10, 19 and 37.

Rather, *Zigmond, et al.* only discloses blocking an advertisement after being played a desired number of times.

A combination of *Bar-El*, *Srinivasan, et al.* and *Zigmond, et al.* would merely suggest to provide a personalized video sequence to a user as taught by *Bar-El*, to select an insert ad or ad URL prior to sending to a user as taught by *Srinivasan, et al.* and to block an ad once the ad is displayed a desired number of times as taught by *Zigmond, et al.* Thus, nothing in the combination of the references shows, teaches or suggests for download distribution and package distribution, an image content providing apparatus only transmits the image content and does not transmit advertisement images and does not transmit internet addresses for advertisement images as claimed in claims 1, 10, 19 and 37. Therefore, Applicant respectfully requests the Examiner withdraws the rejection to claims 1, 10, 19 and 37 under 35 U.S.C. § 103.

Claims 2-9, 11-16 and 32-33 recite additional features. Applicant respectfully submits that claims 2-9, 11-16 and 32-33 would not have been obvious within the meaning of 35 U.S.C. § 103 over *Bar-El*, *Srinivasan, et al.* and *Zigmond, et al.* at least for the reasons as set forth above. Therefore, Applicant respectfully requests the Examiner withdraws the rejection to claims 2-9, 11-16 and 32-33 under 35 U.S.C. § 103.

Claim 17 was rejected under 35 U.S.C. § 103 as being unpatentable over *Bar-El*, *Srinivasan, et al.* and *Zigmond, et al.* and further in view of *Hite, et al.* (U.S. Patent No. 5,774,170).

Applicant respectfully traverses the Examiner's rejection of the claim under 35 U.S.C. § 103. The claim has been reviewed in light of the Office Action, and for reasons which will be set forth below, Applicant respectfully requests the Examiner withdraws the rejection to the claim and allows the claim to issue.

As discussed above, since nothing in *Bar-El*, *Srinivasan, et al.* and *Zigmond, et al.* show, teach or suggest the primary features as claimed in claim 10, Applicant respectfully submits that the combination of the primary references with the secondary reference to *Hite, et al.* would not overcome the deficiencies of the primary references. Therefore, Applicant respectfully requests the Examiner withdraws the rejection to claim 17 under 35 U.S.C. § 103.

Thus, it now appears that the application is in condition for reconsideration and allowance. Reconsideration and allowance at an early date are respectfully requested. Should the Examiner find that the application is not now in condition for allowance, Applicant respectfully requests the Examiner enters this Amendment for purposes of appeal.

CONCLUSION

If for any reason the Examiner feels that the application is not now in condition for allowance, the Examiner is requested to contact, by telephone, the Applicant's undersigned attorney at the indicated telephone number to arrange for an interview to expedite the disposition of this case.

In the event that this paper is not timely filed within the currently set shortened statutory period, Applicant respectfully petitions for an appropriate extension of time. The fees for such extension of time may be charged to Deposit Account No. 50-0320.

In the event that any additional fees are due with this paper, please charge our Deposit Account No. 50-0320.

Respectfully submitted,

FROMMER LAWRENCE & HAUG LLP
Attorneys for Applicant

Date: July 26, 2011

By: _____
Ellen Marcie Emas
Reg. No. 32,131
(202) 292-1530